

Salisbury, North Carolina  
May 3, 2011

## **REGULAR MEETING**

**PRESENT:** Mayor Pro Tem Maggie A. Blackwell, Presiding; Councilmen William (Pete) Kennedy, William Brian Miller, and Paul B. Woodson, Jr.; City Clerk Myra B. Heard; and City Attorney F. Rivers Lawther, Jr.

**ABSENT:** Mayor Susan W. Kluttz and City Manager David W. Treme.

Salisbury City Council met in Council Chambers in City Hall located at 217 South Main Street. The meeting was called to order by Mayor Pro Tem Blackwell at 4:00 p.m. The invocation was given by Councilman Miller.

## **PLEDGE OF ALLEGIANCE**

Mayor Pro Tem Blackwell led those present in the Pledge of Allegiance to the United States flag.

## **RECOGNITION OF VISITORS**

Mayor Pro Tem Blackwell welcomed all visitors present. She noted Mayor Kluttz, City Manager David Treme, and Assistant City Manager Doug Paris were unable to attend the Council meeting, because they were in Raleigh as House Bill 129 went to the Senate.

Mayor Pro Tem Blackwell announced the Senate passed the final reading of the Broadband Bill giving Salisbury full exemption to market Fibrant services to towns and institutions throughout the county. She stated Council is very excited to report full exemption. She indicated that Council regrets Mayor Kluttz, City Manager David Treme and Assistant City Manager Doug Paris could not be at the Council meeting but pointed out Council felt they had to be in Raleigh to protect the City's investment. Mayor Pro Tem Blackwell indicated Council is very grateful to our local legislators Senator Brock and Representatives Warren and Steen for this action.

**RECOGNITION OF ROWAN CABARRUS COMMUNITY COLLEGE STUDENT GOVERNMENT ASSOCIATION**

This item was postponed until May 17, 2011.

**PROCLAMATIONS**

Mayor Pro Tem Blackwell proclaimed the following observances:

NATIONAL DAY OF PRAYER	May 5, 2011
A DAY OF THE ARTS	May 14, 2011
NATIONAL POLICE WEEK	May 15-21, 2011
PEACE OFFICERS' MEMORIAL DAY	May 17, 2011

**CONSENT AGENDA**

(a) Approval of Minutes

Approve Minutes of the Regular Meeting of April 19, 2011.

(b) Budget Ordinance Amendment – Parks and Recreation Department

Adopt a budget Ordinance amendment to the FY2010-2011 budget in the amount of \$9,685 to appropriate various donations to the Parks and Recreation Department.

(The above Ordinance is recorded in full in Ordinance Book No. 23 at Page No. 31, and is known as Ordinance 2011-18.)

Thereupon, Councilman Woodson made a motion to adopt the Consent Agenda as presented. Councilman Kennedy seconded the motion. Messrs. Kennedy, Miller, Woodson, and Ms. Blackwell voted AYE. (4-0)

**RESOLUTION TO TRANSFER THE CHINA GROVE WATER AND SEWER SYSTEM TO THE CITY OF SALISBURY**

Mayor Pro Tem Blackwell introduced China Grove Mayor Don Bringle and China Grove Interim City Manager Ken Deal, who addressed Council regarding a Resolution to transfer the China Grove water and sewer system to the City of Salisbury.

Mayor Bringle thanked City Manager David Treme, Management Services Director John Sofley, Utilities Director Jim Behmer and staff for working with Interim City Manager Ken Deal and China Grove staff to develop the Resolution before Council. Mayor Bringle stated the China Grove Town Board voted in February 2011 to adopt the Resolution, pending several items in the

agreement to be worked out between staff. He noted the China Grove Board will meet tonight and vote on the final draft of the Resolution.

Mayor Bringle congratulated Council on the third reading of the Broadband Bill and stated he hopes Fibrant will be able to expand into the China Grove Community and offer its citizens choices between Fibrant and other vendors.

Utilities Director Jim Behmer stated this agreement has been in the process for approximately six years. He stated South Rowan is one of the major growth corridors, and Salisbury Rowan Utilities (SRU) has invested over fourteen million dollars in infrastructure. He noted China Grove is currently SRU's second largest customer and a good working relationship is enjoyed by both parties. He pointed out this agreement will benefit both the Town of China Grove and SRU. He noted certain information in the draft agreement still has to be filled in, such as tax maps, parcel numbers and the exhibits in the back, and he added SRU is currently mapping the China Grove water and sewer system and identifying easements. Mr. Behmer stated everything should be completed by July 1, 2011, when SRU assumes ownership and control of the China Grove system.

Councilman Kennedy asked if there was an incremental reduction in the rate for the citizens of China Grove so they will pay the same rate as others in the system in seven years. Mr. Behmer stated this is correct, and added there is a seven year step-down in rates, while China Grove's debt service will drop-down in the eighth year. He noted this allows for no rate increases for the citizens of China Grove this year, and a gradual rate decrease until the rates meet in the eighth year.

Councilman Miller stated it appears this agreement offers protection to the citizens of China Grove and allows SRU to provide them with a much lower rate. Mr. Miller thanked Mr. Behmer for his leadership, and thanked China Grove for allowing this to happen stating when everyone benefits it is a good thing. He noted he is pleased with what he has seen, and he is pleased Council can be a part of this important agreement.

Councilman Woodson thanked the Town of China Grove for its business. He commended Mr. Behmer on a job well done and stated he thinks it will work out well for both parties.

Thereupon, Councilman Woodson made a **motion** to adopt a Resolution to execute and implement an agreement to transfer to the City of Salisbury the China Grove Water and Wastewater System as presented. Councilman Miller seconded the motion. Messrs. Kennedy, Miller, Woodson, and Ms. Blackwell voted AYE. (4-0)

**RESOLUTION TO EXECUTE AND IMPLEMENT AN AGREEMENT TO TRANSFER TO THE CITY OF SALISBURY THE CHINA GROVE WATER AND WASTEWATER SYSTEM.**

(The above Resolution is recorded in full in Resolution Book No. 14 at Page No. 11, and is known as Resolution 2011-11.)

## **RESOLUTION APPROVING THE WATER SHORTAGE RESPONSE PLAN**

Salisbury- Rowan Utilities(SRU) Senior Engineer Jeff Jones addressed Council regarding the City's Water Shortage Response Plan. He pointed out approximately one and one-half years ago the Plan was discussed with Council and then submitted to the State North Carolina. He stated the State has now reviewed the Plan and indicated it meets all the criteria established by the State Legislature. He noted the City has been requested to adopt a Resolution officially adopting the Plan as the City's Water Shortage Response Plan. Mr. Jones stated once this step is complete the City will have met all requirements of the 2008 Draught Legislation.

Councilman Woodson asked how the City stands in regard to draught and rain totals. Mr. Jones explained what is reviewed is not the rainfall of Rowan County, but the watershed upstream from the County which includes approximately 4,000 square miles. He stated the flow today is approximately 2,400 cubic feet per second, and notices indicating the chance of a water shortage are not considered until the flow decreases to 1,000 cubic feet per second. He added the flow has to be at this rate longer than one week for the notices to be issued. Mr. Jones stated the 2,400 cubic feet per second translates to a little more than 1.5 billion gallons per day.

Thereupon, Mr. Miller made a **motion** to adopt a Resolution approving the Water Shortage Response Plan. Mr. Woodson seconded the motion. Messrs. Kennedy, Miller, Woodson, and Ms. Blackwell voted AYE. (4-0)

## **RESOLUTION APPROVING THE WATER SHORTAGE RESPONSE PLAN.**

(The above Resolution is recorded in full in Resolution Book No. 14 at Page No. 12, and is known as Resolution 2011-12.)

## **UPDATED COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ESTIMATES**

Senior Planner Janet Gapen indicated Council approved the budget for Community Development Block Grant (CDBG) and HOME Program funds at its March 15, 2011 meeting. She noted since that time revised estimates have been received regarding the amounts the City can expect to receive. She added the revisions will change the adopted budget.

Ms. Gapen reviewed the revised estimates, and noted they represent a 23% decrease from last year's funding:

Community Development Block Grant (CDBG)	\$258,206.00
HOME	\$97,180.00
Program Income	\$35,000.00
Total	<u>\$390,386.00</u>

Ms. Gapen reviewed the detailed budget:

Project Activities		
Acquisition/Rehab/Resale	\$44,166.80	
Owner-Occupied Rehab	\$70,000.00	
Emergency Rehab	\$10,000.00	
Choice Grant Planning	\$16,000.00	
		\$140,166.80
Public Services (15% cap)		
Rowan Helping Ministries	\$18,200.00	
Family Crisis Council	\$11,300.00	
Community Care Clinic	\$8,000.00	
Salisbury Youth Employment	\$5,250.00	
Family Self-Sufficiency – Public	\$1,200.00	
Housing Authority		\$43,950.00
Program Administration		\$58,640.00
Debt Service – Park Avenue Center		\$50,449.20
Total CDBG Funds		\$293,206.00

Ms. Gapen then reviewed the HOME budget and the total CDBG and HOME funds:

Project Activities		
Family Housing Development Loan	\$75,000.00	
Foreclosure Acquisition/Rehabilitation and Down Payment Assistance	\$17,680.00	
		\$92,680.00
Program Administration		\$4,500.00
Total HOME Funds		\$97,180.00
Total CDBG & HOME Funds		\$390,386.00

Ms. Gapen provided an analysis of the CDBG allocations since 2004 and pointed out the incremental changes:

<u>Year</u>	<u>CDBG Allocation</u>	<u>Difference</u>	<u>Percent of Change</u>
2004-2005	\$397,000		
2005-2006	\$375,798	(21,202)	-5.3%
2006-2007	\$341,450	(34,348)	-9.1%
2007-2008	\$327,526	(13,924)	-4.1%
2008-2009	\$305,040	(22,486)	-6.9%
2009-2010	\$309,654	4,614	1.5%
2010-2011	\$335,518	25,864	8.4%
2011-2012*	\$258,206	(77,312)	-23.0%

\*planning estimate

Ms. Gapen stated the 23% decrease is a much more substantial change than the City has faced in years past, and pointed out there has been a 35% overall decrease in the funds since 2004.

Ms. Gapen noted this update is for informational purposes, and no action is needed from Council.

Councilman Woodson asked if the figures provided were a projection. Ms. Gapen responded these figures are the most current estimates, and the numbers should be finalized fairly soon.

Mr. Woodson commented he and Councilman Kennedy attended a meeting in Washington, D.C. several years ago, and there was a discussion of completely cutting the CDBG funds.

Councilman Kennedy stated these cuts are taking place nationwide, and the City is blessed to still receive funds.

Ms. Gapen commented Congress was recently reviewing a 60% cut for CDBG fund, so these estimates are much better than it could have been.

City Clerk Myra Heard clarified that the revised budget did not need approval from Council. Ms. Gapen indicated this was correct.

Management Services Director John Sofley indicated the funds are included in the City's annual budget and when the annual budget is adopted these funds will also be approved.

### **JERSEY CITY INTERSECTION IMPROVEMENTS**

Urban Design Planner Lynn Raker updated Council regarding improvements to the Jersey City gateway intersection. She pointed out the location of the site at Mocksville Avenue, North Caldwell Street, and West Cemetery Street.

Ms. Raker stated the proposed plan is the result of a 2002-2003 Visioning process when the gateway entrance was second in priority only to improving and rehabilitating housing in the neighborhood. She commented many improvements from the list of priorities have been completed, and the entrance has been delayed in order to research the storm drainage situation. Ms. Raker indicated after much review it has been decided to leave the storm drain intact.

Ms. Raker presented a rendering of the proposed improvements which would include landscaping, the addition of stop signs, identified cross-walks and the addition of an entrance sign. She stated the drainage pattern will be left as is, and flumes will be constructed to direct the path of the storm water runoff.

Ms. Raker commented these improvements were a goal of Council four to five years ago, and she is seeking an endorsement of the plan in order to begin the bidding process. She stated \$130,000 in CDBG funds have been previously allocated for the improvements, and staff hopes to have the work completed this summer.

Councilman Woodson commented he thinks this will be a great improvement for the area.

Councilman Miller noted Freirich Foods is located in the neighborhood, and it receives heavy truck traffic. He asked if thought has been given to the truck traffic and its impact on the improvements. Ms. Raker stated the traffic pattern will not change for the trucks, but turning radii have been added to the intersection. She noted trucks will be able to make the turns, but it could be difficult for the very largest trucks. She pointed out these trucks have been using a different entrance and turn one block before the gateway entrance.

Mr. Miller asked if a pedestrian crossing could be delineated at the extended crossing of Cemetery Street and Mocksville Avenue. Ms. Raker stated staff considered a treatment to create a crosswalk, and this will be a priority if money is available. She added a patterned, stamped asphalt treatment could be a possibility, and staff would also like to extend the sidewalk along West Cemetery Street if funds are available.

Councilman Kennedy stated it is important to reiterate the funds for this project were set aside several years ago, and it would not be fair to take them from the neighborhood now.

By consensus, Council agreed to move forward with the improvements.

### **PEARL STREET, TOWER DRIVE AND DAVIS STREET AT-GRADE RAILROAD CROSSING**

Engineering and Development Services Director Dan Mikkelsen indicated a request was presented to Council at its March 15, 2011 meeting from the North Carolina Department of Transportation (NCDOT) to install automatic warning devices at Pearl Street, Tower Drive and Davis Street. He pointed out the crossings are located off of Morlan Park Road. He noted his recommendation was to not participate in this program at this time, and Council requested staff conduct a neighborhood meeting since the last meeting to discuss the crossings was held five years prior.

Mr. Mikkelsen stated a neighborhood meeting was held April 18, 2011. He indicated written notices were mailed, along with questionnaires for those who could not attend the meeting but wanted to respond. He stated seven residents attended the meeting, and approximately 20 written responses were received. Mr. Mikkelsen commented the strong consensus from the neighborhood is they are satisfied with the crossings as they exist, and they felt the City's money could be better spent on improvements to the Morlan Park Road and Jake Alexander Boulevard intersection. He commented the residents would like to have a traffic signal installed, which would be an expensive treatment. He added staff will follow-up with NCDOT to discuss options for the intersection.

Mr. Mikkelson noted after hearing from residents, staff recommends declining the opportunity for the crossing arms at this time. He stated if Council concurs with this recommendation he will draft a letter to NCDOT declining participation but requesting the City be considered in the future.

Councilman Kennedy stated he had insisted staff meet with the residents since it had been five years from the last neighborhood meeting. He noted and he and Councilman Woodson attended the meeting and heard from the residents that they want things left unchanged. He added he concurs.

Councilman Woodson stated he visited the crossings and they each have very good visibility and he sees no reason to spend the money upgrading them at this time.

By Consensus, Council agreed with Mr. Mikkelson's recommendation.

### **NEW SAFETY MEASURES FOR HALL GYM**

Parks and Recreation Program Director Jeff Holshouser and Police Captain Melanie Thompson addressed Council regarding open play registration at Hall Gym.

Mr. Holshouser noted the purpose of the new plan is to improve customer service and ensure safety of participants and staff. He added the new plan will be a way to track and monitor Hall Gym participants.

Mr. Holshouser reviewed the process in developing the plan:

- Staff met with the Salisbury Police department to discuss ideas and recommendations
- Staff received information from other recreation departments regarding their registration procedures
- The plan was presented and approved by the Parks and Recreation Advisory Board April 14, 2011

Mr. Holshouser discussed the proposed procedure:

- Participants age 16 and older will be required to show some type of picture identification to enter Hall Gym and complete a registration form
- Teens age 15 and under must have their parent or guardian complete a registration form to enter Hall Gym
- Children age 10 and under must be accompanied by an adult (18 and older) to enter Hall Gym and must complete a registration form
- All registered participants must log in at the front desk each time they enter Hall Gym



- Times for Open Play for the summer (with the exception of scheduled programs) will be set as follows:
  - 16 and older – 11:00 a.m. until 2:00 p.m.
  - 15 and under – 2:00 p.m. until 5:00 p.m.

Mr. Holshouser stated the goal of the new procedure is to ensure the safety of participants and staff, and security of the facility. He noted the plan will establish and separate times for both adult and youth open play, and will allow staff the ability to gather facility usage data.

Councilman Kennedy noted an incident at Hall Gym was brought to staff's attention and he, Mayor Kluttz, and City Manager David Treme met with a concerned parent. He added that although the incident was not major, it is important to know who is in the gym.

Councilman Miller asked how the change will be communicated with the public. Mr. Holshouser stated all of the City's parks facilities will be posted, and a notice will be placed on the Parks and Recreation website.

Mr. Kennedy commented the City wants young people to enjoy themselves at the Parks facilities, but parents must also be accountable to help create a safe environment.

### **RECOMMENDATIONS FROM THE ADVISORY COMMITTEE ON BETTER HOUSING AND NEIGHBORHOOD STABILIZATION**

Mr. Lou Manning and Mr. Nate Chambers, Co-Chairs of the Advisory Committee on Better Housing and Neighborhood Stabilization, addressed Council regarding recommendations developed by the Committee.

Mr. Manning recognized members of the Committee: Mr. Lou Manning, Mr. Nathan Chambers, Mr. Garth Birdsey, Mr. Burt Brinson, Ms. Ollie Mae Carroll, Ms. Greta Connor, Ms. Kyna Foster, Mr. Eddie Hampton, Ms. Mimi Howard, Mr. Calvin Turner, Mr. Dan Waggoner, and Mr. Norde Wilson. He noted the Committee took their work very seriously, and there was passionate debate over the topics.

Community Planning Services Director Joe Morris reviewed Council's Outcome 2 - Improve neighborhoods and safety for all areas of the City, and Goal 4 - receive and evaluate recommendations from the Advisory Committee on Better Housing and Neighborhood Stabilization. He noted the Resolution of Intent authorizing the Committee was adopted September 21, 2010, and the Committee members were appointed November 11, 2010. He stated the Committee held its first meeting November 22, 2010, and is providing its recommendations to Council today, 173 days from beginning.

Mr. Morris reviewed the Committee activities:

- Seven committee meetings
- Five topical presentations (current neighborhood conditions, neighborhood mapping, Street Crimes Unit, Block Works Program, Preservation and Housing)

- Staff visit to Greensboro Minimum Housing Commission
- Preliminary Report to City Council during Council Retreat
- Public forum

Mr. Morris noted the public forum was held February 24, 2011, with approximately 110 citizens attending. He stated topics of interest were identified and voted on by those in attendance, and 12 general areas were identified which were:

1. Code Enforcement
2. Rental Housing Inspection and Certification\*
3. Landlord Responsibilities
4. Crime/Public Safety
5. The Court System and Rental Housing
6. Community Appearance
7. Data base and information
8. Tenant responsibilities
9. Pit Bulls
10. Incentives and Investment
11. Education about Housing Rights and Standards
12. Neighborhood Revitalization, Cohesion

Mr. Morris stated from these topics Draft Objectives and Potential Actions were developed. He indicated the Committee recommends a two-track process: one dealing with advocacy and education, and one with enforcement. He then reviewed the Proposed Implementation Strategies for these Objectives:

- Establish a City Council appointed Advocacy and Fair Housing Commission to promote neighborhood health, fair housing and tenant/landlord relationships
- Meet quarterly with staff to develop programs and receive reports on activities related to housing and neighborhood conditions
- Distribute educational materials to community residents summarizing the Tenant and Landlord Handbook – which clearly addresses tenant rights, and tenant/landlord responsibilities
- Provide a forum for third-party conflict resolution of issues related to fair housing and tenant/landlord relations
- Partner with neighborhood groups such as the Neighborhood Leaders Alliance and the Historic Neighborhoods Alliance to improve community conditions
- Leverage local resources to improve neighborhood infrastructure and amenities
- Promote affordable housing, home ownership and investment by supporting the efforts of the Salisbury Community Development Commission and Community Development Block Grant
- Support efforts to address neighborhood concerns related to hazardous dog breeds
- Maintain data bases to identify evicted tenants, slum landlords, tenants who damage property and crime information
- Promote efforts to improve the eviction process by amending local ordinances to be consistent with state legislation

- Establish a Code Enforcement Board by re-purposing the Zoning Board of Adjustment to utilize administrative reviews as a function of minimum housing standards inspections and compliance
- Ramp-up Code Enforcement with sufficient resources to focus on problem areas and chronic offenders of City Codes
- Review and amend City ordinances to create strengthened, common-sense, minimum housing standards
- Utilize a debt collection agency to recover unpaid abatement costs
- Utilize the City View software to identify repeat violators of minimum housing standards and other code violations
- Identify geographic concentration of code violations to target enforcement efforts, especially related to vacant and boarded-up houses
- Consider expanding CDBG efforts to additional neighborhoods (i.e. Green Hills, North Main, Cone Mill neighborhood, etc.)
- Pursue an aggressive program of removing blighting influences from at-risk neighborhoods
- Step-up law enforcement through the Special Street Crimes Unit to target high-crime areas
- Build awareness of the Salisbury Neighborhood Action Group (S.N.A.G.) as a method of citizen involvement in reporting crime and city code violations
- Administer a Demolition by neglect Ordinance in local historic districts

Mr. Morris discussed the Rental Housing Inspection/Rental Unit Certificate of Occupancy. He stated House Bill 554 is currently in the General Assembly, and he pointed out the section of the Bill that would impact the Committee's recommendation:

"In no event may a city (i) require any registration of residential rental property; (ii) adopt or enforce any local ordinance that would require any owner or manager of rental property to obtain any permit or permission from the city to lease or rent residential real property; (iii) require that an owner or manager of residential rental property enroll or participate in any governmental program as a condition of obtaining a Certificate of Occupancy; or (iv) levy a special fee or tax on residential rental property that is not also levied against other commercial and residential properties"

Mr. Morris stated this topic was the point of much discussion at the Committee meetings and ultimately the Committee voted not to proceed with this recommendation. He added he thinks the Committee felt this Bill is moving through the General Assembly and may not be an option for the City. He noted staff believes it has a tool in place that can effectively achieve the goal without creating a rental registration program.

Mr. Morris noted the Code Enforcement staff identified every rental property in the community, and the information will be entered into a database. He stated City View software is currently being implemented which can take the information and put it into the management software that can be used by staff. He stated the City View software will allow staff to:

- Automate and track case activities
- Create a permanent case history
- Organize inspection activities
- Relate code enforcement violations to parcels
- Utilize mapping capabilities
- Provide accountability and reporting tools

Mr. Morris stated staff believes by utilizing this software it will be able to manage the rental properties in the community.

Mr. Morris requested Council set a public hearing to receive comments on the recommendations for May 17, 2011 and then consider adopting the proposed policies. He stated staff will then begin implementation of the policies.

Mr. Chambers thanked Mr. Morris for his facilitation of the Committee meetings. He indicated he was surprised when the issue regarding Pit Bulls kept coming up during the meetings, but he sees where there is validity in the concern. He added he hopes Council can find a way to address the problem.

Mr. Chambers commented many people complain about landlords, and when he asked for specific problems the first thing mentioned is abandoned homes and crime. He stated crime concerns are a tenant and landlord issue, where a landlord is not doing a good job screening who is being placed in their properties. He added he thinks this will be addressed in some of the recommendations from the Committee.

Mr. Chambers stated in regards to abandoned or boarded-up homes, he thinks there is a disconnect where citizens are under the assumption that a boarded-up house is tied to a landlord. He indicated he has been in the property rental business for over 15 years, and a boarded-up house is not an investment property because there is no money coming in and the property is deteriorating. Mr. Chambers stated part of the Committee's recommendations is increased code enforcement and finding a better way to deal with boarded-up homes. He added it is particularly difficult to deal with this issue in an historic district, where it takes approximately three years to demolish a home. He stated he hopes when Council reviews the Committee's recommendations it realizes the boarded-up home issues seems to be a major concern with the citizens from the public forum, but not to group them with investment properties.

Mayor Pro Tem Blackwell thanked Mr. Manning and Mr. Chambers for their leadership for the Committee. She stated the citizens who participated in the Committee contacted the School of Government in Chapel Hill, called state authorities, legal experts and other cities with Housing Commission boards to gain more information. She commented the members were very active and felt strongly about what they were doing. She thanked the Committee members for

their work. Ms. Blackwell noted many man-hours were given during the meetings to develop the recommendations, and she thanked citizens for attending the public forum and all who were involved in the meetings.

Ms. Blackwell commented the SNAG meetings are a great way to learn about crime and safety in the City and the administration of other programs.

Ms. Blackwell asked if this presentation will be made at the public hearing. Mr. Morris responded he will review the presentation in advance of the public hearing.

Ms. Blackwell clarified the City View software was not ordered as a result of the Committee, but has been in the works for over one year.

Councilman Woodson indicated Mr. Chambers had contacted Greensboro regarding their rental occupancy program and asked if they are having good results.

Mr. Chambers stated Greensboro is operating outside of the North Carolina General Statutes, which means they are operating without authority. Mr. Morris commented Greensboro implemented its rental occupancy program on political will, but could not provide specific documentation giving them authority to administer the program. He stated Greensboro is having some good results in regard to property improvement, but he is not sure how they are operating on legal grounds.

Mr. Chambers explained Greensboro initially started a five-year inspection program where the property would be inspected and an initial certificate of occupancy issued. He added the property would then be re-inspected in five years. He stated it has been over five years now, and they have been unable to re-inspect all of the properties so they have abandoned the five-year program. He noted Greensboro now issues one certificate of occupancy, and inspections are handled on a complaint generated basis. He commented Greensboro spent millions of dollars inspecting homes, but the result is a system similar to what it had before.

Mr. Chambers indicated he met with the Greensboro Landlord's Association and there is quite a bit of resistance to Greensboro's inspection program. He added Asheville had a program for approximately 10 years, but abandoned it because it seemed to be a waste of money.

Mr. Chambers commented bad landlords should be addressed, and no one should have to live in deplorable conditions, but instead of trying to inspect everyone, he thinks resources should be focused on the bad owners.

Mr. Woodson thanked Mr. Chambers and the Committee for the time spent on this issue.

Councilman Miller indicated he recognizes this issue was heatedly debated, and he is thankful for the document outlining the Committee's recommendations. He stated he is concerned about the actual items Council will be voting on, because some issues are Council action items, but others are not actionable items on the Council level. He requested clarification on what items Council needs to endorse, what are the things requiring Council action, and what

items are good ideas to be supported. He noted the two main recommendations seem to be to establish a Council appointed Housing Commission, and repurposing the Zoning Board of Adjustment as a Code Enforcement Board. He added some of the other recommendations do not seem to need Council action.

Mr. Morris agreed the two primary policy decisions involve the two boards mentioned by Councilman Miller and stated the other items will provide guidance for these groups to achieve the overarching goal of safer neighborhoods. He recommended Council hold the public hearing to receive feedback, and staff will distill the recommendations for Council action. He added he thinks it is important to have the current document in order to guide the issue as items are implemented. He noted the housing issue is multifaceted with multiple approaches. Mr. Morris stated he will work to create a more distilled version of the document to summarize a policy statement for Council adoption.

Mr. Morris noted if Council agrees to proceed with the two-board approach, ordinances will have to be developed for their implementation. He added the ordinances will include very specific language outlining the work for each board.

Mr. Kennedy commended the Committee members for the time spent to develop the recommendations. He noted many members came from different perspectives and he appreciates them coming together to create the recommendations. He added Council will do its best to satisfy the majority of citizens who participated in this debate.

Thereupon, Mr. Kennedy made a **motion** to set a public hearing for May 17, 2011 to receive public comment on recommendations from the Advisory Committee on Better Housing and Neighborhood Stabilization. Mr. Miller seconded the motion. Messrs. Kennedy, Miller, Woodson, and Ms. Blackwell voted AYE. (4-0)

## **APPOINTMENTS TO VARIOUS BOARDS AND COMMISSIONS**

This item was postponed.

## **CITY MANAGER'S COMMENTS**

### **(a) Presentation of the City of Salisbury's FY2011-2012 Budget**

Management Services Director John Sofley presented Council with a copy of the proposed FY2011-2012 City budget. He indicated during Council's Retreat it was noted the City is moving into a new economy and would have to make adjustments. He noted traditional revenue sources for local governments are not growing and sales tax revenues are not rebounding as they have in the past. He stated the housing industry, which drives the economy, has been very stagnant and it could take several years before sales increase.

Mr. Sofley stated during the Retreat staff notified Council the City was facing a \$2.7 million gap in the budget. He indicated staff has worked hard to develop a plan to close the gap, but one thing that has been a major impact on the budget is revaluation. He pointed out the County moved forward with the revaluation although the Tax Assessor indicated it would be difficult because of the lack of comparable values. He commented several counties undertook revaluations this year, but those counties were at the end of their eight year cycle and were required to do so by law. He added several counties chose to delay their revaluation to give the local real estate and commercial markets a chance to recover. Mr. Sofley stated staff anticipated a small increase in values this year, however when the updated figures were received from the Tax Assessor's office, it indicated an 8% decrease in total taxable values.

Mr. Sofley noted in revaluation years 2002 and 2007 values increased and Council was able to reduce the tax rate to remain revenue neutral. He stated with the new revaluation figures staff recommends a \$05.2 cent increase in the rate to remain revenue neutral. He explained property owners whose property values decreased the average 8%, will see no increase in the taxes levied. He noted the tax effort will be the same as if there had been no revaluation.

Councilman Woodson asked to confirm the gap faced in the budget. Mr. Sofley responded there a projected \$2.7 million gap was presented to Council at its Retreat. Mr. Woodson clarified the \$2.7 million shortfall had nothing to do with revaluation. Mr. Sofley confirmed it was not related to the revaluation and it would have occurred even if the revaluation had not occurred. Mr. Woodson noted without the increased tax rate the City could be \$4 to \$5 million short. Mr. Sofley stated prior to the revaluation staff projected a tax levy of approximately \$17.3 million, and the proposed levy after revaluation will be the exact same amount if the rate is increased \$05.2 cents.

Mr. Sofley indicated over the last four years Council and staff have worked hard to maintain the budget and have no tax rate increases. He noted during this time the City's costs have risen and items have been added such as enhanced Codes Enforcement and Fire Station 4. He stated as a result of these efforts there are minimal areas left for reduction in the budget. Mr. Sofley commented in order to bridge the \$2.7 million gap staff looked at the City's largest cost, which is personnel. He noted last year a rolling freeze was instituted, and the proposed budget recommends a reduction of 36 full-time positions and 11 part-time positions resulting in approximately \$2 million in savings. He indicated because of the rolling freeze many of the eliminated positions were vacant, and only a few individuals lost their job. He stated early retirement was offered with many choosing to accept this option.

Mr. Sofley stated as staff reviewed positions it found many similar services were being offered in different divisions throughout the City. He noted by combining similar services it allowed the City to gain efficiency and reduce cost. He indicated several departments had public information functions that have now been combined into one Communications Division. He stated Parks and Recreation maintained parks and grounds while Public Services oversaw landscaping, Hurley Park and cemeteries. He noted these functions have now been combined under Parks and Recreation. Mr. Sofley stated another area that has been combined is in Facilities Maintenance. He noted there is a facility maintenance group under Management Services, while Parks and Recreation had employees who maintained their facilities. He stated

these have been combined under one facility group as Facility Maintenance and Construction in Management Services.

Mr. Sofley indicated several functions throughout the City have also been realigned. He stated Development Services has been reassigned to Community Planning Services, and the function for storm water management and streets and transportation management have been moved to Public Services.

Mr. Sofley stated last year Council set a directive for the City Manager to have fewer direct reports. He indicated these realignments have reduced his direct reports and met the directive. Mr. Sofley stated his title will be changed to Assistant City Manager, and Public Services and Parks and Recreation will now report to him.

Mr. Sofley stated the rolling freeze will remain in effect through the coming year to help ensure there are adequate dollars to cover mandatory costs. He noted some of these mandatory costs include health insurance, retirement, worker's compensation, gas, oil, and electricity. He indicated some capital projects have been delayed or modified, and no merit increases are recommended for employees.

Mr. Sofley pointed out the Salisbury-Rowan Economic Development Commission requested a 10% decrease in its funding, and staff recommends a 10% reduction for all special community efforts groups. He commented the City is doing all it can to cut cost and felt some of the burden should be shared.

Mr. Sofley noted the fee for recycling will increase. He explained the City's policy is recycling will be fully covered by users fees, and the vendor has increased its contract charge this year, and the fee will increase \$0.58 per month.

Mr. Sofley informed Council no increases are recommended for any charges in the Fibrant fund. He stated the base infrastructure is built and operational, and there are now more than 850 customers. He noted the largest expenses for Fibrant will be programming and the actual connections for new customers.

Mr. Sofley stated a 2.8% increase is recommended for the Water and Sewer rate, which is the lowest rate proposal in eight years. He noted to make this possible, five positions were eliminated. He pointed out the China Grove system will be absorbed with no additional cost, and staff has done a great job to minimize costs.

Mr. Sofley thanked Ms. Teresa Harris, Budget and Performance Manager; Mr. Wade Furches, Finance Manager; Mr. Evans Ballard, Budget and Benchmarking Analyst; Ms. Renee Pierson, Management Analyst; Ms. Melissa Drye, Finance Specialist; Mr. Mark Drye, Senior Management Analyst; Ms. Kizzy Lea, Accountant; Mr. Doug Paris, Assistant City Manager; Ms. Myra Heard, City Clerk and the Management Team for their work on the proposed budget.



Mayor Pro Tem Blackwell thanked staff for their hard work. She asked Mr. Sofley if he could provide the net effect of the 8% decrease in taxable value. Mr. Sofley indicated the net effect is \$1.2 to \$1.3 million.

Mr. Woodson asked if the budget will be short \$4 million if Council chooses not to raise the tax rate to be revenue neutral. Mr. Sofley responded the \$2.7 gap has already been bridged, so if the rate was not revenue neutral there would be a \$1.2 to \$1.3 million gap, and in order to reduce that amount it would require significant reduction in services.

Mr. Kennedy noted there has been a reduction in force and a hiring freeze in effect yet he has seen positions advertised. He asked if these positions are key positions. Mr. Sofley responded this is correct and noted the freeze is a rolling freeze rather than a hard freeze.

Thereupon Mr. Miller made a motion to set a public hearing for May 17, 2011 to receive public comment on the City of Salisbury's fiscal year 2011-2012 proposed budget. Mr. Kennedy seconded the motion and asked where citizens can find copies of the proposed budget. Mr. Sofley indicated the proposed budget will be posted on the City's website, and a copy will be available for review at City Hall. Mr. Woodson stated it appears staff has done a great deal of hard work on the budget and it is greatly appreciated. Messrs. Miller, Kennedy, Woodson, and Ms. Blackwell voted AYE. (4-0)

Mr. Sofley informed Council City Clerk Myra Heard will contact them to determine dates for a budget worksession.

(b) List of City-Owned Properties

Management Services Director John Sofley indicated Councilman Kennedy had requested a list of City-owned property, and a list of these properties has been provided to Council.

(c) Financial reports discussion.

Management Services Director John Sofley noted at Council's March 15, 2011 meeting, Mayor Pro Tem Blackwell requested time for a discussion regarding financial reports. He stated at various times during his tenure with the City, Council has been provided financial reports. He noted at times the reports were received and reviewed and at other times, Council did not want the financial reports. He indicated over the past five to ten years the previous Councils took the position that they did not want a monthly report, but wanted to be made aware of any issues as quickly as possible. He added this is the policy staff has followed for the past five to ten years.

Councilman Miller indicated, as a banker, he is accustomed to seeing more information than he has seen since becoming a member of Council. He stated he would like to receive information on a quarterly basis that will indicate where the City stands financially. He added he finds the numbers very interesting and would like to see more data each quarter.

Councilman Woodson commented he receives a financial report each month in his business, and he agrees monthly reports may be difficult and once a quarter would be good. He stated he would like to know if sales tax revenues are increasing or how the City is standing in regard to budget expenditures. He commented he thinks having the information would help Council because it would not be surprised by a budget shortfall, as it was during this year's Retreat.

Councilman Kennedy stated he also serves on another financial board and they receive information quarterly. He added City Manager David Treme's policy is when information is provided to one Councilmember it is provided to all members of Council, and he thinks it is important to continue this policy.

By Consensus, Council requested quarterly financial reports.

Mr. Miller stated he thinks it is most valuable to have the information at the 30,000 foot level, and he does not think Council is trying to micromanage what staff is doing, because they are very capable. He added so many decision made by Council are made without proper context as to what is happening in the larger budget process.

Mayor Pro Tem Blackwell stated she has received many questions about Fibrant and if the City is on-target, or if it has as many customers as anticipated, but she has not felt equipped to answer general public questions and would greatly appreciate the information.

Mr. Woodson commented there have been many questions about Fibrant, and he thinks Council needs more information.

(d) Temporary Street Closure – West Fisher Street

Police Captain Melanie Thompson informed Council a request was received from Brightmoor Nursing home for a temporary street closure for the 600 block of West Fisher Street. Capt. Thompson stated the closure is requested for Friday, May 13, 2011 from 9:00 a.m. until 6:00 p.m. to celebrate Nursing Home Day.

Thereupon, Mr. Miller made a **motion** to close the 600 block of West Fisher Street from 9:00 a.m. until 6:00 p.m. Friday, May 13, 2011 for Brightmoor Nursing Home's Nursing Home Day celebration. Messrs. Miller, Kennedy, Woodson, and Ms. Blackwell voted AYE. (4-0)

## MAYOR'S ANNOUNCEMENTS

(a) Historic Preservation Master Plan

Mayor Pro Tem Blackwell announced the draft Salisbury Historic Preservation Plan will be presented Monday, May 9, 2011 at 7:00 p.m. at the Rowan Museum, 202 North Main Street. The public is invited to attend and provide feedback on the Plan recommendations.

(b) Spring Night Out

Mayor Pro Tem Blackwell announced Downtown Salisbury Inc. will host Spring Night Out Friday, May 6, 2011 from 5:00 p.m. until 9:00 p.m. in downtown Salisbury.

(c) Touch a Truck Program

Mayor Pro Tem Blackwell announced the Salisbury Parks and Recreation Department will hold the rain-delayed 4<sup>th</sup> annual Touch a Truck Program on Saturday, May 7, 2011 from 10:00 a.m. to 1:00 p.m. at the First Bank Parking Lot on West Innes Street.

(d) Relay for Life

Mayor Pro Tem Blackwell announced the City of Salisbury Relay for Life team will be participating in the annual Relay for Life event to be held at the Rowan County Fairgrounds Friday May 13, 2011 starting at 5:00 p.m. All citizens are invited to attend this free event to support Relay for Life.

(e) Realignment of Development Services

Councilman Woodson wished Community Planning Services Director Joe Morris well as Development Services is moved into that department. He commented he hopes the process can be organized and help the development community complete projects quickly.

Councilman Miller added the change needs to be communicated with the Development Opportunity.

**ADJOURNMENT**

Motion to adjourn the meeting was made by Mr. Miller, seconded by Mr. Kennedy. All council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 5:40 p.m.

  
Susan W. Kluttz, Mayor

  
Myra B. Heard, City Clerk